

HOUSE BILL No. 1561

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-7-2; IC 12-15-41.5.

Synopsis: Medicaid for children with disabilities. Establishes the Medicaid buy-in program for children with disabilities. Requires the office of Medicaid policy and planning (office) to amend the state Medicaid plan to include the program. Requires the office to apply to the federal Department of Health and Human Services for a grant to implement the Money Follows the Person Rebalancing Demonstration Project authorized by federal law.

Effective: Upon passage.

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January 23, 2007, read first time and referred to Committee on Family, Children and Human Affairs.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1561

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-7-2-24.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24.5. "Buy-in
3 program" ~~as used in~~ **means the following:**

4 (1) **For purposes of IC 12-15-41, has** the meaning set forth in
5 IC 12-15-41-1.

6 (2) **For purposes of IC 12-15-41.5, the meaning set forth in**
7 **IC 12-15-41.5-1.**

8 SECTION 2. IC 12-7-2-65 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 65. "Disabled"
10 **means the following:**

11 (1) For purposes of IC 12-10-10, ~~has~~ the meaning set forth in
12 IC 12-10-10-3.

13 (2) **For purposes of IC 12-15-41.5, the meaning set forth in**
14 **IC 12-15-41.5-3.**

15 SECTION 3. IC 12-7-2-135.7 IS ADDED TO THE INDIANA
16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: **Sec. 135.7. "Parent", as used in**

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1 **IC 12-15-41.5, has the meaning set forth in IC 12-15-41.5-4.**

2 **SECTION 4. IC 12-15-41.5 IS ADDED TO THE INDIANA CODE**
 3 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**
 4 **UPON PASSAGE]:**

5 **Chapter 41.5. Medicaid Buy-In Program for Children With**
 6 **Disabilities**

7 **Sec. 1. As used in this chapter, "buy-in program" refers to the**
 8 **Medicaid buy-in program for children with disabilities established**
 9 **by section 5 of this chapter.**

10 **Sec. 2. As used in this chapter, "child" refers to an individual**
 11 **who:**

- 12 (1) is less than nineteen (19) years of age;
- 13 (2) was born after:
 - 14 (A) December 31, 2000, for participation in the program in
 - 15 2007;
 - 16 (B) September 30, 1995, for participation in the program
 - 17 in 2008; and
 - 18 (C) September 30, 1989, for participation in the program
 - 19 after 2008; and
 - 20 (3) is disabled.

21 **Sec. 3. As used in this chapter, "disabled" means a condition of**
 22 **having medically determinable physical or mental impairment**
 23 **that:**

- 24 (1) results in marked and severe functional limitations; and
- 25 (2) has lasted or is expected to last for a continuous period of
- 26 at least twelve (12) months.

27 **Sec. 4. As used in this chapter, "parent" refers to the parent or**
 28 **guardian of a child with a disability.**

29 **Sec. 5. The Medicaid buy-in program for children with**
 30 **disabilities is established to provide Medicaid services to a child**
 31 **who is disabled as authorized by 42 U.S.C. 1305.**

32 **Sec. 6. In order for a child to participate in the buy-in program,**
 33 **the child's family income may not be more than three hundred**
 34 **percent (300%) of the federal income poverty level.**

35 **Sec. 7. (a) If the employer of a parent of a child who participates**
 36 **in the buy-in program or applies to participate in the buy-in**
 37 **program offers family coverage under a group health plan for**
 38 **which:**

- 39 (1) the employer contributes at least fifty percent (50%) of the
- 40 total cost of the annual premium; and
- 41 (2) the parent is eligible;

42 **the parent shall enroll in the coverage as a condition of the child's**

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1 eligibility for coverage under the buy-in program. The employer
2 coverage is the primary coverage.

3 (b) The office may provide for payment of any portion of the
4 premium for family coverage that the parent is required to pay as
5 allowed under 42 U.S.C. 1305.

6 Sec. 8. (a) The office may adopt rules under IC 4-22-2 to
7 implement a cost participation schedule to pay monthly premiums
8 for the buy-in program based on the family income level.

9 (b) The cost participation schedule implemented under
10 subsection (a) must meet the following requirements:

11 (1) For an individual whose family income does not exceed
12 two hundred percent (200%) of the federal income poverty
13 level, the cost sharing charges and premium may not be more
14 than five percent (5%) of the family's income.

15 (2) For an individual whose family income is more than two
16 hundred percent (200%) of the federal income poverty level
17 but not more than three hundred percent (300%) of the
18 federal income poverty level, the cost sharing charges and
19 premium may not be more than seven and one-half percent
20 (7.5%) of the family's income.

21 (c) The office may not terminate eligibility of an individual for
22 the buy-in program for failure to pay the premium or cost sharing
23 charges authorized in this section until the failure to pay continues
24 for a period of at least sixty (60) days after the due date of the
25 payment.

26 (d) The office may waive a cost sharing charge or premium
27 payment if the office determines that requiring the payment would
28 create an undue hardship.

29 Sec. 9. The office may adopt rules under IC 4-22-2 necessary to
30 implement this chapter.

31 SECTION 5. [EFFECTIVE UPON PASSAGE] (a) As used in this
32 SECTION, "office" refers to the office of Medicaid policy and
33 planning established by IC 12-8-6-1.

34 (b) The office shall apply to the United States Department of
35 Health and Human Services to amend the state Medicaid plan to
36 include the Medicaid buy-in program for children with disabilities
37 established by IC 12-15-41.5-5, as added by this act, not later than
38 June 30, 2007.

39 (c) This SECTION expires December 31, 2007.

40 SECTION 6. [EFFECTIVE UPON PASSAGE] (a) As used in this
41 SECTION, "demonstration project" refers to the Money Follows
42 the Person Rebalancing Demonstration Project authorized by 42

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1 U.S.C. 1396a.

2 (b) As used in this SECTION, "office" refers to the office of
3 Medicaid policy and planning established by IC 12-8-6-1.

4 (c) The office shall apply to the United States Department of
5 Health and Human Services for a grant to implement the
6 demonstration project.

7 (d) Before applying for the demonstration project, the office
8 shall ensure that the state meets all of the federal requirements to
9 receive approval for the demonstration project. This includes the
10 following:

11 (1) Assuring the United States Department of Health and
12 Human Services that Indiana has engaged, and will continue
13 to engage, in a public process for the design, development, and
14 evaluation of the demonstration project that allows for input
15 from the following:

16 (A) Eligible individuals.

17 (B) Families of eligible individuals.

18 (C) Authorized representatives of eligible individuals.

19 (D) Providers.

20 (E) Other interested parties.

21 (2) Operating a qualified home and community based
22 program in conjunction with the demonstration project in a
23 manner that ensures continuity of Medicaid coverage for
24 individuals who remain eligible for medical assistance.

25 (e) The office shall determine and specify in the application the
26 period for which the demonstration project shall continue. The
27 period must be for at least two (2) fiscal years as required under 42
28 U.S.C. 1396a.

29 (f) The office may determine whether the demonstration project
30 should be implemented statewide or for a specific geographic area
31 of Indiana.

32 (g) The application must specify the following:

33 (1) The target groups of eligible individuals to be assisted to
34 transition from an inpatient facility to a qualified residence
35 for the period of the demonstration project.

36 (2) The projected number of eligible individuals in the
37 targeted group to be assisted.

38 (3) The estimated total annual qualified expenditures in each
39 year for the period of the demonstration project.

40 (4) Information describing the methods by which the office
41 will eliminate barriers to flexibility in the availability of
42 Medicaid funds to pay for long term care services for an

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1 eligible individual participating in the demonstration project
 2 in the appropriate settings of the individual's choice, including
 3 costs to transition from an institutional setting to a qualified
 4 residence.

5 (5) A plan for quality assurance and quality improvement for
 6 home and community-based long term care services under the
 7 state's Medicaid program.

8 (6) Any other information required by the United States
 9 Department of Health and Human Services.

10 (h) The office may not implement the demonstration project
 11 until the office files an affidavit with the governor attesting that the
 12 federal demonstration project applied for under this SECTION is
 13 in effect. The office shall file the affidavit under this subsection not
 14 later than five (5) days after the office is notified that the
 15 demonstration project is approved.

16 (i) If the office receives approval for the demonstration project
 17 under this SECTION from the United States Department of Health
 18 and Human Services and the governor receives the affidavit filed
 19 under subsection (h), the office shall implement the demonstration
 20 project not later than sixty (60) days after the governor receives
 21 the affidavit.

22 (j) The office shall amend the state Medicaid plan if necessary
 23 to implement this SECTION.

24 (k) The office may adopt rules under IC 4-22-2 necessary to
 25 implement this SECTION.

26 (l) This SECTION expires July 1, 2014.

27 SECTION 7. An emergency is declared for this act.

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